

Introduced by Senator Kuehl

February 24, 2006

An act to amend Sections 127662 and 127665 of the Health and Safety Code, relating to public health.

LEGISLATIVE COUNSEL'S DIGEST

SB 1704, as introduced, Kuehl. Health care benefits.

Existing law requests the University of California to assess legislation proposing mandated health care benefits to be provided by health care service plans and health insurers, and to prepare a written analysis in accordance with specified criteria.

Existing law further requests the University of California to develop and implement conflict-of-interest provisions that would prohibit a person from participating in any analysis in which he or she knows or has reason to know he or she has a material financial interest.

Existing law provides funding for the University of California's implementation of these provisions from fees imposed upon health care service plans and health insurers, which would not exceed a total of \$2,000,000, and are to be deposited in the Health Care Benefits Fund.

This bill would extend to January 1, 2011, the repeal date of those provisions, and would authorize the continued imposition of that fee through the 2009–10 fiscal year.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 127662 of the Health and Safety Code
2 is amended to read:

1 127662. (a) In order to effectively support the University of
2 California and its work in implementing this chapter, there is
3 hereby established in the State Treasury, the Health Care
4 Benefits Fund. The university's work in providing the bill
5 analyses shall be supported from the fund.

6 (b) For fiscal years ~~2002-03 to 2005-06~~, *2006-07 to 2009-10*,
7 inclusive, each health care service plan, except a specialized
8 health care service plan, and each health insurer, as defined in
9 Section 106 of the Insurance Code, shall be assessed an annual
10 fee in an amount determined through regulation. The amount of
11 the fee shall be determined by the Department of Managed
12 Health Care and the Department of Insurance in consultation
13 with the university and shall be limited to the amount necessary
14 to fund the actual and necessary expenses of the university and
15 its work in implementing this chapter. The total annual
16 assessment on health care service plans and health insurers shall
17 not exceed two million dollars (\$2,000,000).

18 (c) The Department of Managed Health Care and the
19 Department of Insurance, in coordination with the university,
20 shall assess the health care service plans and health insurers,
21 respectively, for the costs required to fund the university's
22 activities pursuant to subdivision (b).

23 (1) Health care service plans shall be notified of the
24 assessment on or before June 15 of each year with the annual
25 assessment notice issued pursuant to Section 1356. The
26 assessment pursuant to this section is separate and independent of
27 the assessments in Section 1356.

28 (2) Health insurers shall be noticed of the assessment in
29 accordance with the notice for the annual assessment or quarterly
30 premium tax revenues.

31 (3) The assessed fees required pursuant to subdivision (b) shall
32 be paid on an annual basis no later than August 1 of each year.
33 The Department of Managed Health Care and the Department of
34 Insurance shall forward the assessed fees to the Controller for
35 deposit in the Health Care Benefits Fund immediately following
36 their receipt.

37 (4) "Health insurance," as used in this subdivision, does not
38 include Medicare supplement, vision-only, dental-only, or
39 CHAMPUS supplement insurance, or hospital indemnity,

1 accident-only, or specified disease insurance that does not pay
2 benefits on a fixed benefit, cash payment only basis.

3 SEC. 2. Section 127665 of the Health and Safety Code is
4 amended to read:

5 127665. This chapter shall remain in effect until January 1,
6 ~~2007~~, *2011*, and shall be repealed as of that date, unless a later
7 enacted statute that becomes operative on or before January 1,
8 ~~2007~~, *2011*, deletes or extends that date.

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